



## THE MICROLOAN PROGRAM FOR ENTREPRENEURS

The Micro Loan Program provides very small loans to start-up, newly established, or growing small business concerns. Under this program, SBA makes funds available to nonprofit community based lenders (intermediaries) which, in turn, make loans to eligible borrowers in amounts up to a maximum of \$35,000. The average loan size is about \$10,500. Applications are submitted to the local intermediary and all credit decisions are made on the local level.



### ELIGIBILITY REQUIREMENTS

Virtually any type of for-profit small business is eligible for the Microloan Program. The form of the business whether a proprietorship, partnership or corporation, is not a determining factor. It must, however, meet the SBA's size standards at the time of application. Generally, businesses applying for this type of loan will fall well within these standards. Not-for-profit child-care centers are also eligible to apply.

### TERMS, INTEREST RATES AND FEES

The maximum term allowed for a Microloan is six years. However, loan terms vary according to the size of the loan, the planned use of funds, the requirements of the intermediary lender, and the needs of the small business borrower. Interest rates vary, depending upon the intermediary lender and costs to the intermediary from the U.S. Treasury.

### USE OF LOAN FUNDS

Microloan funds may be used for working capital or to purchase inventory, supplies, furniture, fixtures, machinery and equipment. Funds may not be used to purchase real estate or to provide a down payment on real estate.

### CREDIT REQUIREMENTS

A Microloan applicant must meet the credit requirements of the local intermediary lender. Generally, the applicant will be expected to have good character, a strong commitment to his/her business idea, and a credit history that provides reasonable assurance that the loan will be repaid. In addition, the applicant should have some management expertise or be willing to participate in training designed to strengthen management skills.

### COLLATERAL

Each intermediary lender has its own lending and credit requirements. However, business owners contemplating application for a micro loan should be aware that intermediaries will generally require some type of collateral, and the personal guarantee of the business owner.

### APPLYING FOR A MICROLOAN

The first step in applying for a Microloan is to contact your local intermediary lender. (listed on other side) The intermediary will provide information on applying for a loan and receiving technical assistance.

### TECHNICAL ASSISTANCE

Each intermediary is required to provide business based training and technical assistance to its micro borrowers. Individuals and small businesses applying for micro loan financing may be required to fulfill training and/or planning requirements before a loan application is considered.

## Wisconsin Microloan Lenders

Each intermediary lender has its own lending and credit requirements. However, business owners contemplating application for a Microloan should be aware that intermediaries will generally require some type of collateral, and the personal guarantee of the business owner. Each intermediary is required to provide business based training and technical assistance to its micro borrowers. Individuals and small businesses applying for Microloan financing may be required to fulfill training and/or planning requirements before a loan application is considered. Contact one of the lenders listed below.

### **Advocap**

19 West First Street, P.O. Box 1108, Fond du Lac, WI 54936  
Contact: Morton Gazerwitz at 920/922-7760  
Fax: 920/922-7214  
Service Area: Fond du Lac County

### **Advocap**

2929 Harrison Street, Oshkosh, WI 54901  
Contact: Morton Gazerwitz at 920/426-0150  
Fax: 920/426-3071  
Service Area: Winnebago and Green Lake Counties

### **Impact Seven, Inc. – [www.impactseven.org](http://www.impactseven.org)**

147 Lake Almena Drive, Almena, WI 54805  
Contact: Inger Sanderud at 715/357-3334  
Fax: 715/357-6233  
Service Area: Statewide with the exceptions of Fond du lac, Green Lake, Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Waukesha, Washington, Winnebago Counties and inner City of Milwaukee

### **Lincoln Neighborhood Redevelopment**

2266 South 13th Street, Milwaukee, WI 53215  
Contact: Matthew Maigatter, SBA Coordinator 414/671-5619  
Fax: 414/385-3270  
Service Area: Milwaukee County  
[E-Mail: LNRC@cbgmail.com](mailto:LNRC@cbgmail.com)

### **Northeast Entrepreneur Fund - <http://www.entrepreneurfund.org/>**

1401 Tower Avenue, Suite 302, Superior, WI 54880  
Contact: Bob Voss at 800/422-0374  
Fax: 715/392-6131  
Service Area: Douglas County in Wisconsin

### **WI Women's Business Initiative Corp. - <http://www.wwbic.com/>**

2745 North Dr. Martin Luther King Jr. Drive, Milwaukee, WI 53212  
Contact: 414/263-5450 Fax: 414/263-5456  
Service Area: Brown, Dane, Dodge, Jefferson, Kenosha, Milwaukee, Ozaukee, Racine, Rock, Walworth, Washington and Waukesha Counties

### **WI Women's Business Initiative Corp. - <http://www.wwbic.com/>**

2300 South Park Street, Suite 21, Villager Mall, Madison, WI 53713  
608/257-5450 Fax: 608/257-5454  
Service Area: Brown, Dane, Dodge, Jefferson, Kenosha, Milwaukee, Ozaukee, Racine, Rock, Walworth, Washington and Waukesha Counties